

Special Purpose Financial Report

Tennis NT Incorporated

ABN 58 257 241 220

For the year ended 30 June 2024

Tennis NT Incorporated

ABN 58 257 241 220

Contents

For the year ended 30 June 2024

	Page No.
Declaration by the Board	1
Statement of Profit or Loss	2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 10
Independent Auditor's Report	11

Tennis NT Incorporated
Declaration by the Board
For the year ended 30 June 2024

In our opinion

- (a) the financial report, as set out on the following pages, being a special purpose financial statement, is drawn up so as to present fairly the financial position of the Association as at 30 June 2024, and its performance and cash flows, for the year ended on that date;
- (b) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- (c) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

We confirm as follows

- (a) The names of each Board Member of the Association during the relevant financial year were:

President	Steve Rossingh
Vice President	Alicia Boyle (ceased from 11/11/2023)
Vice President	Helen Summers (commenced from 11/11/2023)
Director	Sally Courtney
Director	Katrina Hancock (ceased from 11/11/2023)
Director	Philip Hazell (commenced from 11/11/2023)
Director	Jamie O'Brien
Director	James Pratt (commenced from 11/11/2023)
- (b) The principal activities of the Association during the relevant financial period were to promote, develop and manage the sport of tennis in the Northern Territory.
- (c) No other significant changes in the nature of these activities occurred during the year.
- (d) The net operating result of the Association for the financial year was a \$54,867 deficit before depreciation (2023 net operating surplus: \$2,531). The net deficit after depreciation was \$680,506 (2023 net deficit: \$678,848).

Dated at Darwin _____, day of _____ 2024.

Signed in accordance with a resolution of the directors:

Steve Rossingh
President

Helen Summers
Vice President

Tennis NT Incorporated
Statement of Profit or Loss
For the year ended 30 June 2024

	2024	2023
INCOME		
Tennis Australia Grants	1,238,566	1,245,277
Government Grants	230,901	271,858
Administration	142,532	52,763
Athlete Development	6,578	872
Participation	22,382	28,940
Operations and Events	43,822	42,776
Tennis Centres	209,963	382,963
Total Income	1,894,745	2,025,449
EXPENDITURE		
Athlete Development	42,074	19,344
Participation	295,753	425,474
Operations & Events	127,946	60,576
Tennis Centres	208,302	264,742
Staff	815,600	935,183
Administration	459,938	317,599
Total Expenditure	1,949,613	2,022,918
Net Operating Surplus / (Deficit) for the Year before Depreciation	(54,867)	2,531
Depreciation	625,639	681,379
Net Deficit for the Year after Depreciation	(680,506)	(678,848)

The accompanying notes form part of the financial report. This report is to be read in conjunction with the attached audit report.

Tennis NT Incorporated
Statement of Financial Position
As at 30 June 2024

	Note	2024	2023
Assets			
Cash at Bank		1,053,332	1,231,450
Prepaid Expenses	2	77,476	3,178
Receivables		98,029	55,463
GST Paid on Purchases		34,105	15,159
Accrued Income	3	23,019	12,426
Total Current Assets		1,285,961	1,317,676
Total Non-Current Assets			
Property, Plant and Equipment at Cost	4	17,948,769	17,963,631
Less Accumulated Depreciation	4	(4,142,897)	(3,540,120)
Total Non-Current Assets		13,805,872	14,423,511
Total Assets		15,091,833	15,741,187
Liabilities			
Trade Creditors		8,623	15,777
Accrued Expenses		118,546	78,391
Contract Liabilities / Income Received in Advance	5	278,618	296,061
Employee Entitlements		54,509	44,302
GST Collected from Sales		37,100	46,615
Total Current Liabilities		497,395	481,146
Total Non-Current Liabilities			
Employee Entitlements		22,241	7,338
Total Non-Current Liabilities		22,241	7,338
Total Liabilities		519,636	488,484
Net Assets		14,572,197	15,252,703
Equity			
Retained Earnings		14,572,197	15,252,703
Total Equity		14,572,197	15,252,703

The accompanying notes form part of the financial report. This report is to be read in conjunction with the attached audit report.

Tennis NT Incorporated
Statement of Cash Flows
For the year ended 30 June 2024

	2024	2023
Cash flows from operating activities		
Receipts from customers and other funding bodies	1,824,143	2,256,889
Payments to suppliers and employees	(1,994,261)	(2,075,168)
Cash flows provided by / (used in) operating activities	(170,118)	181,721
Cash flows from investing activities		
Payments for property, plant and equipment	(8,000)	-
Cash flows provided by / (used in) investing activities	(8,000)	-
Net increase / (decrease) in cash held	(178,118)	181,721
Cash at bank at the beginning of the year	1,231,450	1,049,729
Cash at bank at the end of the year	1,053,332	1,231,450

The accompanying notes form part of the financial report. This report is to be read in conjunction with the attached audit report.

Tennis NT Incorporated

Notes to the financial statements

For the year ended 30 June 2024

The financial statements cover Tennis NT Incorporated ('Association') as an individual entity. Tennis NT Incorporated is an association incorporated in the Northern Territory and operating pursuant to the Northern Territory of Australia Association Act 2003.

The registered office of the association and principal place of business is:

9 Abala Road
Marrara
Darwin, NT 0812

The Association is a not-for-profit entity and the principal activities of the Association during the course of the financial year were the promotion and development of the game of tennis in the Northern Territory.

Note 1 - Material Accounting Policies

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Northern Territory of Australia Association Act 2003. Management have determined that the association is not a reporting entity as the users of the financial statements are able to obtain additional information to meet their needs.

Statement of Compliance

The financial report has been prepared in accordance with Northern Territory of Australia Association Act 2003 and the basis of recognition and measurement by all Australian Accounting Standards and Interpretations.

Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs. They do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

Functional and Presentation Currency

The financial report is presented in Australian dollars, which is the Association's functional currency.

Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Economic Dependence and Going Concern

The Association is economically dependent upon Tennis Australia and receives grant funding therefrom that forms an integral part of the funding required for the Association to achieve its short and long term objectives. In the unlikely event that grant funding from Tennis Australia Limited should cease, or be reduced, it is the view of the officers that the Association would still be able to continue meeting the above objectives, albeit to a lesser extent.

The Directors have concluded that it is appropriate that these financial statements are prepared on a going concern basis, taking regard of the above. The Directors acknowledge that such uncertainties do not represent material uncertainties related to going

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Revenue and Other Income

(i) Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider.

Revenue is recognised by applying a five-step model as follows:

- 1) Identify the contract with the customer
- 2) Identify the performance obligations
- 3) Determine the transaction price
- 4) Allocate the transaction price
- 5) Recognise revenue

Tennis NT Incorporated

Notes to the financial statements

For the year ended 30 June 2024

Note 1 - Material Accounting Policies (continued)

Revenue and Other Income (continued)

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations. Costs are recognised on an accrual basis.

Grant income from Government and Tennis Australia

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied. This is generally the case for the monies from the Government and the performance obligations are varied based on the agreement.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the revenue is recognised based on either cost or time incurred which best reflects the transfer of control.

Affiliation Fees

Revenue from affiliation fees is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the period to which membership relates.

(ii) *Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058).*

Grant Income

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the Association at significantly below its fair value.

Once the asset has been recognised, the Association recognises any related liability amounts. Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

Capital Grants

Capital grants received under an enforceable agreement to enable the Association to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the Association (once complete) are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Association.

Volunteer Services

The Association has elected not to record volunteer services in the financial statements. Volunteer services received relate to assisting in the organising and running of tennis events throughout the Northern Territory.

Impairment

(i) *Financial assets (including receivables)*

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost.

The Association makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Association uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

(ii) *Non-financial assets*

The carrying amounts of the Association's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Tennis NT Incorporated

Notes to the financial statements

For the year ended 30 June 2024

Note 1 - Material Accounting Policies (continued)

Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost or deemed cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Association. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives in the current and comparative periods are as follows:

• Buildings	30 - 40 years
• Courts & court equipment	5 - 40 years
• Event Assets	3 years
• Office equipment	1 - 7 years
• Landscaping	40 years
• Computer equipment	3 - 5 years
• Motor Vehicles	4 - 5 years
• Leasehold improvements	15 - 30 years
• Furniture and fittings	5 - 30 years

Leases

(i) Short-term leases and leases of low-value assets

The Association recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on modification of a contract that contains a lease component, the Association allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(ii) Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the association to further its objectives (commonly known as peppercorn/concessionary leases), the association has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

The Association has the right to use Darwin International Tennis Centre for nil consideration through a forty year Crown Lease provided by the Northern Territory Government. This property is used for operation of Tennis and the lease term ends in 2057. As the lease was deemed below market value the Association has adopted the amendments made to AASB 16 and AASB 1058 which allows for these leases to be recognised at cost rather than market value.

Employee Benefits

(i) Long-term employee benefits

The Association's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the corporate bonds at the balance sheet date which have maturity dates approximating to the terms of the Association's obligations.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Association has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Association can no longer withdraw the offer of those benefits and when the Association recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months at the end of the reporting, then they are discounted.

Tennis NT Incorporated
Notes to the financial statements
For the year ended 30 June 2024

Note 1 - Material Accounting Policies (continued)

Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Income Tax

No provision for income tax has been raised as the Association is exempt from income tax under division 50 of the Income Tax Assessment Act 1997.

Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

New and Amended Accounting Policies Adopted by the Entity

There were no new Accounting standards or interpretations issued by the Australian Accounting Standards Board (AASB) which were mandatory for the current reporting period that were applicable to the Association.

Note 2

Prepaid Expenses

Current

	2024	2023
Event expenses	64,636	3,178
Employee expenses	12,840	-
	<u>77,476</u>	<u>3,178</u>

Note 3

Accrued Income

Current

	2024	2023
Tennis Australia contributions	19,619	12,426
Coaching Fees	3,400	-
	<u>23,019</u>	<u>12,426</u>

Tennis NT Incorporated
Notes to the financial statements
For the year ended 30 June 2024

Note 4

Property, Plant and Equipment

Non-Current

	2024	2023
Building & Grandstands at cost	8,110,587	8,110,587
Building & Grandstands accumulated depreciation	(1,638,102)	(1,368,770)
	6,472,485	6,741,817
Computers & Printers at cost	24,346	47,208
Computers & Printers accumulated depreciation	(24,346)	(47,208)
	-	-
Court & Court equipment at cost	6,183,518	6,183,518
Court & Court equipment accumulated depreciation	(1,496,263)	(1,288,561)
	4,687,256	4,894,957
Event Assets at cost	8,000	-
Event Assets accumulated depreciation	(222)	-
	7,778	-
Furniture & Fittings at cost	909,115	909,115
Furniture & Fittings accumulated depreciation	(416,918)	(355,864)
	492,197	553,251
Landscaping at cost	1,777,703	1,777,703
Landscaping accumulated depreciation	(270,314)	(225,870)
	1,507,390	1,551,833
Leasehold Improvements at cost	885,750	885,750
Leasehold Improvements accumulated depreciation	(248,797)	(207,890)
	636,953	677,859
Motor Vehicles at cost	28,116	28,116
Motor Vehicles accumulated depreciation	(28,116)	(28,116)
	-	-
Office Equipment at cost	21,634	21,634
Office Equipment accumulated depreciation	(19,820)	(17,841)
	1,814	3,793
Total Property, Plant and Equipment	13,805,872	14,423,511

The Association has the right to use Darwin International Tennis Centre for nil consideration through a forty year Crown Lease provided by the Northern Territory Government. This property is used for operation of Tennis and the lease term ends in 2057.

Note 5

Contract Liabilities / Income Received in Advance

Current

	2024	2023
Event funding	263,417	257,989
Tennis Australia funding	-	16,500
Program funding	15,200	15,000
Memberships	-	6,572
	278,618	296,061

Note 6

Capital and Leasing Commitments

a) Lease Commitments

Rental commitments: low value photocopier lease.

Committed at reporting date but not recognised as a liability.

	2024	2023
Within one year	1,860	1,860
One to five years	5,115	5,115
More than 5 years	-	-
	6,975	6,975

The Association has nil other lease commitments (2023: nil).

b) Capital Expenditure Commitments

The Association has no capital expenditure commitments as at 30 June 2024 (2023: nil).

Tennis NT Incorporated
Notes to the financial statements
For the year ended 30 June 2024

Note 7

Contingent Liabilities

The Association is not aware of any contingent liabilities as at 30 June 2024 (2023: nil).

Note 8

Other Related Party Disclosure

The Association, being an Associate Member of Tennis Australia (TA) receives shared services benefits from TA. These benefits include accounting, human resources, legal, information technology and integrity and compliance resources. These services were provided for nil consideration.

The Directors of the Association act on a voluntary basis.

The key management personnel for the Association includes the CEO and Senior Management. The compensation paid, payable or provided in short-term retirement and other longterm benefits is \$454,661 (2023: \$526,241).

Note 9

Subsequent events

The Association is not aware of any significant events since the end of the reporting period that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.